

# **FISCAL NOTE**

## **HB 3202**

March 12, 2004

**SUMMARY OF BILL:** Revises the method for calculating the excise tax base by disallowing royalties and similar intangible expenses and certain interest expenses paid to affiliates as an excise tax deduction. Any new revenues generated by this bill would be earmarked and allocated exclusively to the Brownfield Voluntary Cleanup Oversight and Assistance Fund.

### **ESTIMATED FISCAL IMPACT:**

#### **Increase State Revenues:**

**\$3,000,000 FY04-05 / Earmarked for the Brownfield Voluntary Cleanup Oversight and Assistance Fund**

**\$2,500,000 Recurring / Earmarked for the Brownfield Voluntary Cleanup Oversight and Assistance Fund**


#### **Increase State Expenditures - \$102,400 One-Time**

Estimate assumes:

- One-time increases in state expenditures are attributable to form and software changes required by the Department of Revenue to comply with the provisions of the bill.
- Due to tax avoidance behavior on the part of affected entities, the increase in state revenues would fall from \$3,000,000 the first year to \$2,500,000 in subsequent years.

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director